

SENATE BILL 309
By Womack

AN ACT relative to banks, savings and loan associations, and savings banks and to amend Tennessee Code Annotated, Title 45, Chapter 2, Part 3, and Chapter 14.

WHEREAS, federal banking regulatory agencies pursuant to Section 10(d) of the Federal Deposit Insurance Act (12 U.S.C., Section 1820(d)) are permitted to use an eighteen-month examination cycle for certain federally insured state or national banks, savings and loan associations, and savings banks; and

WHEREAS, the State Commissioner of Financial Institutions has authority to coordinate and alternate on-site exams with federal banking regulatory agencies in the conduct of such exams; and

WHEREAS, the continuance of a mandated twelve-month exam cycle for state-chartered banks is inconsistent with federal law and the ability to fully coordinate examinations; and

WHEREAS, it is the desire to harmonize and coordinate the examination authority for state-chartered banks, savings and loan associations, and savings banks with that permissible for federally imposed examinations; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 45-2-1602, is amended by designating the existing language of Subsection (a) as Subsection (a)(1) and by adding as a new Subsection (a)(2) the following:

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(a)(2) The provision of the foregoing requiring an examination at least once in each year may be extended to eighteen months provided the bank meets the criteria applicable to the examination cycle imposed on federally-insured depository institutions in Section 10(d) of the Federal Deposit Insurance Act (12 U.S.C., Section 1820(d)).

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

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